

# **EXHIBIT D**

**ALDEN**

TORCH FINANCIAL

**VIA EMAIL AND**  
**FIRST-CLASS MAIL**

July 2, 2018

Catherine M. Tamaro  
334th Place 2001, LLC  
3236 78th Avenue SE, Suite 202  
Mercer Island, WA 98040  
E-Mail:ctamaro@mindspring.com

Re: *Parkway Apartments, LP (the "Partnership")*

Dear 334th Place 2001, LLC:

AMTAX Holdings 169, LLC ("AMTAX") is the Investor Limited Partner of the Partnership. 334th Place 2001, LLC ("334th Place") is the Partnership's Administrative General Partner. The respective rights and obligations of the Partners are governed by the Partnership's Amended and Restated Agreement of Limited Partnership, dated as of June 1, 2002, as amended (the "Partnership Agreement"). Capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Partnership Agreement.

By this letter, AMTAX provides notice that it is removing 334th Place as Administrative General Partner of the Partnership and appointing an affiliate, Saugatuck, LLC, a Delaware limited liability company, as the new Administrative General Partner because of 334th Place's violations of material provisions of the Partnership Agreement.

Pursuant to Section 4.5(A)(iv)(2), AMTAX has the right to remove 334th Place as the Partnership's Administrative General Partner if 334th Place violates a material provision of the Partnership Agreement and the violation can reasonably be expected to cause economic detriment to the Partnership or the Project.

In my March 6, 2018 letter to you, I explained that AMTAX was evaluating questionable activity by 334th Place in its capacity as General Partner of the Partnership. I wrote to you again on May 8, 2018, as soon as AMTAX was able to reach initial conclusions from its investigation of 334th Place's questionable activity.

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My May 8, 2018 letter detailed a number of breaches by 334th Place of its obligations under the Partnership Agreement. While the specific breaches that AMTAX uncovered are described in greater detail in the May 8, 2018 letter, 334th Place breached the Partnership Agreement by, among other things: (a) paying itself or its affiliates more than \$1.5 million in fees that were either unauthorized or grossly exceeded the authorized fee amounts; (b) spending partnership funds on improperly classified operating expenses, resulting in unjustified increases in controllable operating expenses such as payroll, administrative, and maintenance costs; and (c) defaulting on its obligation to maximize partnership income by increasing rental rates at the Parkway Apartments to levels permitted under the LIHTC program.

Unreasonably high operating costs and unauthorized fees combined with unnecessarily low rental rates have led to excessive Parkway Partnership losses. These losses, in turn, have resulted in unnecessary General Partner advances to fund Partnership operating deficits, as well as an improper depletion of AMTAX's positive capital account, both of which serve to divert Partnership income—including proceeds from an actual or hypothetical sale of the Parkway Apartments—away from AMTAX and into 334th Place's pockets.

334th Place's efforts to enrich itself at the expense of AMTAX and the Partnership violate 334th Place's contractual and fiduciary duties under Sections 7.10.B and 7.4.G of the Partnership Agreement and have resulted in substantial losses to the Partnership and to AMTAX. Therefore—as explained in the May 8, 2018 letter—334th Place's actions constitute grounds for removing 334th Place from the Partnership.

In the May 8, 2018 letter, AMTAX provided 334th Place with an opportunity to cure its breaches and promised not to remove 334th Place before May 18, 2018. Then, on May 22, 2018, AMTAX's counsel sent a follow up letter in which he noted that "AMTAX stands ready and willing to enforce its removal rights if necessary to protect its interests, but also believes that it would be far preferable if the Partnership's partners first addressed their disputes to determine whether they can be resolved without the need for further escalation." Despite these opportunities to rectify the situation, 334th Place has not taken any steps to address, let alone cure, the breaches enumerated in the May 8, 2018 letter. To the contrary, 334<sup>th</sup> Place has sought a judicial determination that AMTAX must move forward with the appraisal process set forth in Section 7.4.J of the Partnership Agreement, even though 334th Place cannot effectively invoke its purchase option under Section 7.4.J unless and until it cures its multiple material breaches of the Partnership Agreement.



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Accordingly, 334th Place's removal as Administrative General Partner of the Partnership shall be effective upon the delivery of this notice to 334th Place. 334th Place may demonstrate its willingness to cooperate in its removal by confirming such cooperation in writing and by voluntarily dismissing its claim against AMTAX. Please be advised that AMTAX reserves the right to seek a restraining order, declaratory relief, or any other appropriate remedy—including the collection of liquidated damages pursuant to Section 4.5.D of the Partnership Agreement—to enforce its removal rights under the Partnership Agreement. AMTAX confirms, however, that it has not taken and will not take any non-judicial action to enforce its removal rights, but instead will seek to enforce its rights in the pending lawsuit in the United States District Court.

This Notice of Removal is not, and shall not be deemed to be, a waiver, election, or estoppel as to any claim, objection, defense, or remedy of AMTAX under the Partnership Agreement and related transaction documents or applicable law. All such rights, claims, objections, defenses, and remedies are expressly reserved.

Very truly yours,

AMTAX Holdings 169, LLC,

By: TCH II Pledge Pool, LLC, its manager  
By: Tax Credit Holdings II, LLC, its managing member  
By: Alden Pacific Holdings, LLC, its managing member

By:   
Alison Wadle, Executive Vice President

cc (via email only): Chris Blake  
Eric S. Pettit, Esq.